

Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 CIAE-00 INR-10 LAB-04
NSAE-00 PA-02 SIL-01 ICA-20 /060 W
-----078109 222233Z /23

R 222133Z AUG 78
FM AMEMBASSY MEXICO
TO AMCONSUL BELIZE
AMEMBASSY BOGOTA
AMCONSUL CALI
AMEMBASSY CARACAS
AMCONSUL GUADALAJARA
AMEMBASSY GUATEMALA
AMCONSUL GUAYAQUIL
AMCONSUL HERMOSILLO
AMEMBASSY MANAGUA
AMCONSUL MARACAIBO
AMCONSUL MEDELLIN
AMCONSUL MERIDA
AMCONSUL MONTERREY
AMEMBASSY PANAMA
AMEMBASSY QUITO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
USCONS MEXICO POUCH
INFO SECSTATE WASHDC 2190
USDOC WASHDC

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FOR WELCH, BED/OIM

E.O. 11652:N/A
TAGS.: BEXP,MX
SUBJECT: END OF SHOW REPORT: BOSQUEQUIPO '78: FOREST
INDUSTRIES EQUIP. EXH.
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1. NAME OF EVENT: BOSQUEQUIPO '78 FOREST INDUSTRIES EQUIP.
EXH.
2. PLACE & DATES: U.S. TRADE CENTER, MEXICO CITY, AUG. 14-
16, 1978
3. PARTICIPANTS: 23 (NTM-21, OTM-2)
- 3A. EXHIBITORS: 37 (NTM-34, OTM-3)

4. FLOOR SLS. AT EXH., INCLUDING DOLLAR VALUE OF
MERCHANDISE TURNED OVER TO AGENTS & DISTS.: \$167,000
(NTM-\$92,000, OTM-\$75,000)

5. EXPECTED TO BE SOLD OVER PERIOD OF NEXT 12 MOS. AS
RESULT OF THIS EXH.: \$31,437,000 (NTM-\$28,437,000, OTM-\$
3,000,000)

6. COS. SEEKING REPS.: 15

7. REPS. SIGNED: NONE

8. REPS. EXPECTED TO BE SIGNED DURING NEXT 12 MOS.: 14

8A. LEADS: 41

9. COS. SEEKING JOINT VENTURES OR LICENSEES: 1

10. JOINT VENTURES OR LICENSEES SIGNED: NONE

10A. JOINT VENTURES OR LICENSEES EXPECTED TO BE SIGNED
DURING NEXT 12 MOS.: 2

10B. LEADS: 3

11. SLS. LEADS: 301 (NTM-223, OTM-78)

12. REGISTERED ATTENDANCE: 317

13. MARKETING OBJECTIVES SUMMARY:

A. FIRMS FULLY ACHIEVING PRIMARY MARKETING OBJECTIVES: 19
(NTM-16, OTM-3)

B. FIRMS PARTIALLY ACHIEVING PRIMARY MARKETING OBJECTIVES:
7 (NTM-7)

C. FIRMS FAILING TO ACHIEVE PRIMARY MARKETING OBJECTIVES:
11 (NTM-11)

14. COMMENTS:

A. BOSQUEQUIPO '78 WAS THE TRADE CENTER'S SECOND FOREST
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INDUSTRIES EQUIP. EXH. IN ITS SIX YEAR HISTORY. THE FIRST
SUCH SHOW WAS A MF/BSP SPONSORED BY THE SOUTHERN FOREST
PRODUCTS ASSOC. IN 1976. THE SFPA ALSO PARTICIPATED IN
THIS YEAR'S EVENT BY SPONSORING, ORGANIZING & CHAIRING
THE BOSQUEQUIPO SEMINAR. BOSQUEQUIPO WAS NOT, UNFORTUNATELY
A VERY SUCCESSFUL EXH., IN SPITE OF THE THEME'S UPGRADING
FROM BSP TO MAJOR. EXHIBITOR RECRUITMENT, THOUGH
ULTIMATELY SUCCESSFUL, WAS A LONG HARD PULL FROM BEGINNING
TO END. PROSPECTIVE EXHIBITORS SEEMED TO HAVE BEEN
INVOLVED IN AN ENDLESS NUMBER OF CONFLICTING EVENTS IN THE
U.S. & ELSEWHERE. PROJECT OFFICER MARY WEINING
VISITED TWO SUCH SHOWS IN THE COURSE OF HER RECRUITING
EFFORTS & MANAGED TO GENERATE PA'S, INCLUDING FOUR FROM
A COOPERATING GROUP, THE LATIN AMERICAN CHAMBER OF
COMMERCE OF OREGON.

B. ABOUT THREE MOS. BEFORE THE EXH., THE PROMOTION
OFFICER FOUND OUT DURING A CALL ON A MEXICAN GOVERNMENT
FORESTRY OFFICIAL THAT THE GOVERNMENT WAS PLANNING TO
HOLD A MAJOR FOREST INDUSTRY CONFERENCE IN
OAXACA DURING AUGUST 1-4, THE EXACT ORIGINAL DATES OF
BOSQUEQUIPO. WE HURRIEDLY SHIFTED THE DATES OF OUR EVENT

IN ORDER TO AVOID THIS SERIOUS MAJOR CONFLICT. ONE MONTH
LATER THE TRADE CENTER FOUND OUT THAT, DUE TO SOME
SCHEDULING PROBLEMS OF ITS OWN, THE FORESTRY AGENCY HAD
SHIFTED ITS DATES TO OUR DATES, THUS AGAIN CREATING A
MAJOR CONFLICT. THE TRADE CENTER WAS THUS AGAIN FORCED
TO CHANGE ITS DATES, THIS TIME TO AUGUST 14-16 WHICH WAS
THE WEEK IMMEDIATELY AFTER THE MEXICAN GOVERNMENT EVENT.
SOME EXHIBITORS WERE LOST IN THE SHUFFLE & A PLANNED PRE-
EXH. TRADE MISSION ULTIMATELY HAD TO BE CANCELED, BECAUSE

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OF EXHIBITORS' SCHEDULE CONFLICTS.

C. WE HOPED TO TURN TO MEXICAN GOVERNMENT CONFERENCE TO

OUR BENEFIT, BY SENDING A PROMOTION TEAM TO OAXACA TO
CALL ON ATTENDEES TO THE CONFERENCE, PASS OUT SHOW CATS. &
RECEPTION INVITATIONS, PLACE NEWSPAPER ADS & JUST
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GENERALLY GET THE WORD OUT ABOUT BOSQUEQUIPO. ALTHOUGH
SEVERAL ATTENDEES AT THE OAXACA CONFERENCE DID ATTEND
BOSQUEQUIPO, THE SPECIAL PROMOTION EFFORT IS NOT
CONSIDERED TO HAVE BEEN VERY SUCCESSFUL AS OAXACA
ATTENDEES CONSTITUTED ONLY A SMALL PART OF OUR TOTAL
ATTENDANCE. WHAT WAS WORSE WAS THAT THE NON-STOP
CONFERENCING, PLANT VISITS & PARTYING IN OAXACA
APPARENTLY WORE THE AVERAGE ATTENDEE OUT & HE
APPARENTLY FELT DISINCLINED TO SPEND EVEN ONE MORE DAY
AT A CONFERENCE OR EXH. THE RESULT WAS OUR VERY
DISAPPOINTING TOTAL ATTENDANCE OF ONLY 317,
INCLUDING 84 VISITORS FROM OUTSIDE THE MEXICO CITY METRO
AREA. THE TWO DAY SEMINAR PUT ON BY THE SOUTHERN FOREST
PRODUCTS ASSN. ACCOUNTED FOR 81 OF THE TOTAL &
CONSTITUTED A VITAL FACTOR IN DRAWING WHAT ATTENDANCE WE
HAD, PARTICULARLY WITH REGARD TO OUT OF TOWN VISITORS WHO
TOTALED 40. THOUGH SMALL, THE AUDIENCE WAS OF VERY HIGH
QUALITY, WITH NEARLY A QUARTER OF THE TOTAL REGISTRANTS
BEARING THE TITLE OF DIR. GRAL. (THE NORMAL TITLE FOR
MEXICAN CEO'S). INASMUCH AS THE OAXACA CONFERENCE IS
HELD ONLY ONCE EVERY SIX YEARS, WE ARE HOPING THAT THIS
CONFLICT CAN BE AVOIDED IN THE FUTURE.

D. SLS. RESULTS WERE PARTICULARLY ENCOURAGING, GIVEN THIS
EVENTS' MANY WOES. IMMEDIATE SLS. OF \$167,000 WERE SMALL,
BUT THE \$31,437,000 IN PROJECTED 12 MOS. SLS. WERE MUCH
BETTER THAN EXPECTED. TWENTY-FIVE MILLION DLLS. OF THE 12
MOS. SLS. WERE REPRESENTED BY AMERICAN SHEET METAL, INC.
WHICH MADE A CONTACT WITH A BUYER INTERESTED IN ITS
MATERIALS HANDLING EQUIP. & OTHER ITEMS FOR EQUIPPING NEW
MAJOR FOREST OPERATIONS. (CLEARED FOR PUBLICATION).
E. WE ARE, OF COURSE, GREATLY DISAPPOINTED IN THE LARGE
NUMBER OF FIRMS THAT REPORTED HAVING FAILED TO ACHIEVE
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THEIR PRIMARY MARKETING OBJECTIVES. SEVEN OF THE 11 NOES
WERE FROM FIRMS SEEKING LOCAL REPRESENTATION, WITH FIVE
OF THESE SEVEN HAVING BEEN FROM ONE PARTICIPANT
REPRESENTING FIVE FIRMS, CLEMENT MALKI. MR. MALKI'S
NEEDS & DESIRES IN TERMS OF LOCAL REPRESENTATION WERE
EXTRAORDINARILY DEMANDING & THOUGH HE INTERVIEWED 10

PROSPECTS, HE FELT THAT NONE OF THEM RATED EVEN SO MUCH AS BEING CLASSIFIED A "LEAD". MR. MALKI'S PRINCIPALS WERE LARGELY IN THE WOODWORKING LINE, AN AREA MARGINAL TO THE BASIC THEME. TWO OTHER NOES CAME FROM ROBERT BURTON OF BURTON INT'L. MR. BURTON SEEMED TO HAVE BEEN PARTICULARLY DISAPPOINTED BY THE CANCELLATION OF THE TRADE MISSION & BY, WHAT HE SAID WAS OIM'S FAILURE TO HEED HIS ADVICE TO POSTPONE THE SHOW FOR A YEAR. IT IS INTERESTING TO NOTE, HOWEVER, THAT THREE OF HIS PRINCIPALS WHO WERE IN THE BOOTH WITH HIM UNANIMOUSLY REPORTED FAVORABLE RESULTS. THE OTHER FOUR NOES HAD NO PARTICULAR PATTERN, BUT OBVIOUSLY REFLECTED DISAPPOINTMENT WITH THE LOW ATTENDANCE.

F. WE HAVE BEEN INFORMED BY INDUSTRY SOURCES THAT THE MEXICAN GOVERNMENT IS DRAFTING LEGISLATION WHICH WILL RADICALLY ALTER THE EXISTING LAWS ON LAND USE IN FOREST AREAS & WILL SET UP MIXED CAPITAL CORPORATIONS TO OPERATE LARGE REGIONAL SAW & PULP MILLS. THE RUMOR IS THAT THIS LEGISLATION WILL BE INTRODUCED IN NOV. 1978 & WILL GO INTO EFFECT IN EARLY 1979. WE HAVE, IN FACT HEARD OF TWO PROJECTS, ONE IN PUEBLA & ANOTHER IN MICHOACAN, WHICH ARE GOING FORWARD IN ANTICIPATION OF THIS LEGISLATION. AS LAND USE IS THE MAJOR IMPEDIMENT TO EFFECTIVE

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DEVELOPMENT OF MEXICO'S FOREST INDUSTRIES, ACCORDING TO
EVERY STUDY DONE ON THE SUBJECT, THIS NEW LEGISLATION
WOULD MAKE A MAJOR DIFFERENCE IN THE MARKET FOR RELATED
EQUIP. ASSUMING THIS LEGISLATION IS PASSED, CONSIDERATION
SHOULD BE GIVEN TO TRYING AGAIN WITH BOSQUEQUIPO IN TWO
TO THREE YEARS.
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Litigation History:
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